

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA

January 1, 2003 to December 31, 2003



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez	01-06-02 to 02-29-04 03-01-04 to 01-05-05
Branch Manager	Mrs. Roberta J. Duncan	01-01-03 to 12-31-04



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 122 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 8, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA
SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
January 1, 2003 to December 31, 2003

	<u>Amount</u>
Collections:	
Registrations	\$ 1,354,781
Titles	317,230
Drivers Licenses	82,241
Watercraft	36,273
Miscellaneous	<u>119</u>
Total	<u><u>\$ 1,790,644</u></u>
Distributions:	
State Fees	\$ 696,705
County Tax	916,180
Commission Fees	<u>177,759</u>
Total	<u><u>\$ 1,790,644</u></u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA
STATISTICAL INFORMATION
January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle Registrations:	
Passenger	7,149
Motorcycle	370
RV (Housecar)	160
Light Truck	3,235
Other Truck	136
Farm Truck	94
Tractor	29
Trailer	1,450
Semi-Trailer	50
School and Church Bus	6
Other	<u>75</u>
Total Vehicle Registrations	<u><u>12,754</u></u>
Drivers Licenses and Permits:	
Drivers Licenses/Learners Permits	3,890
CDL Licenses/CDL Permits	203
Placards	388
Other	<u>1,871</u>
Total Drivers Licenses and Permits	<u><u>6,352</u></u>
Titles:	
Vehicles	5,037
Watercraft	<u>93</u>
Total Titles	<u><u>5,130</u></u>
Total Watercraft Registrations	<u><u>534</u></u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA
EXAMINATION RESULTS AND COMMENTS

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2005	Trailer 9,000	32400V
2005	Trailer 9,000	32401V
2007	Truck 7,000	21194L
2007	Truck 7,000	21195L
2007	Truck 36,000	2086G

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January 2004, we tested the accuracy of this inventory. The inventory was not taken in the proper order per the 2003 Year-End Inventory Checklist. Items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted instances of plates being omitted; plate number transposition errors; incorrect plate letters recorded; and incorrect plate number series.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

MISSING PLATE AFFIDAVITS

Missing plate affidavits were not filed in a timely manner. A missing plate affidavit was filed August 24, 2004, for license plates that were determined missing from an order on October 6, 2003.

Missing plate affidavits are to be submitted when an accountable item listed on the consignment sheet is initially discovered missing. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

REPLACEMENT PLATES

Form 6 "Application for Duplicate or Replacement License Plate" was not on file for all replacement plates and stickers issued.

The registration stub/receipt should be attached to the Form 6 "Application for Duplicate or Replacement License Plate" and put in the End of Day file marked with the appropriate invoice number. (Branch Operations Policies and Procedures Manual, Branch Filing Procedures Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 122
OSSIAN, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2004, with Mrs. Roberta J. Duncan, Branch Manager.